



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-847]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Final Results of Antidumping Duty Administrative Review; 2019-2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) finds that the producers/exporters of heavy walled rectangular welded carbon steel pipes and tubes (HWR pipes and tubes) from Mexico subject to this administrative review made sales of subject merchandise at less than normal value (NV) during the period of review (POR) September 1, 2019, through August 31, 2020.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: David Crespo, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3693.

SUPPLEMENTARY INFORMATION:

Background

Commerce selected two companies, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) (collectively, the respondents), for individual examination.¹

¹ Commerce initiated this review covering 11 companies. In the *Preliminary Results*, we rescinded the review, in part, for nine of these companies. See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2019-2020*, 86 FR 56689 (October 12, 2021) (*Preliminary Results*). As a result, these final results cover only Maquilacero and Prolamsa.

On October 12, 2021, Commerce published the *Preliminary Results* and invited interested parties to comment.² On November 12, 2021, Maquilacero, Nucor Tubular Products, Incorporated (Nucor), and Prolamsa filed case briefs.³ On November 24, 2021, Nucor, Maquilacero, and Prolamsa filed rebuttal briefs.⁴ For a description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁵

Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The products covered by the order are heavy walled rectangular welded steel pipes and tubes from Mexico.⁶ Products subject to the order are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item number 7306.61.1000. Subject merchandise may also be classified under 7306.61.3000. Although the HTSUS numbers and ASTM specification are provided for convenience and for customs purposes, the written product description remains dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in the appendix to this notice and addressed in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is

² See *Preliminary Results*.

³ See Maquilacero's Letter, "Maquilacero S.A. de C.V.'s Case Brief," dated November 12, 2021; see also Nucor's Letter, "Nucor Tubular's Case Brief," dated November 12, 2021; and Prolamsa's Letter, "Case Brief and Request to Participate in Hearing, if Held," dated November 11, 2021.

⁴ See Nucor's Letter, "Nucor Tubular's Rebuttal Brief," dated November 24, 2021; see also Maquilacero's Letter, "Maquilacero S.A. de C.V.'s Rebuttal Brief," dated November 24, 2021; and Prolamsa's Letter, "Rebuttal Brief," dated November 26, 2021.

⁵ See Memorandum, "Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review: Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico; 2019-2020," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁶ For a complete description of the scope of the order, see *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2019-2020*, 86 FR 56689 (October 12, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to the weighted-average dumping margin calculations for Maquilacero and Prolamsa for the final results.⁷

Final Results of the Review

We are assigning the following weighted-average dumping margins to the firms listed below for the period September 1, 2019, through August 31, 2020:

Producers/exporters	Weighted-average dumping margin (percent)
Maquilacero S.A. de C.V.	0.52
Productos Laminados de Monterrey S.A. de C.V.	1.37

Disclosure

Commerce intends to disclose the calculations performed in connection with these final results to interested parties within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), where Maquilacero and Prolamsa reported the entered value of their U.S. sales, we calculated importer-specific ad valorem duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered

⁷ See Issues and Decision Memorandum at 2-3.

value of the sales for which entered value was reported. Because Prolamsa did not report the actual entered value for its sales, we calculated the entered value in order to calculate the assessment rate. Where either a respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review.⁸

Commerce's "reseller policy" will apply to entries of subject merchandise during the POR produced by Maquilacero or Prolamsa for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.⁹

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.¹⁰

We intend to issue liquidation instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the *Federal Register*, in accordance with 19 CFR 356.8(a).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the

⁸ See section 751(a)(2)(C) of the Act.

⁹ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁰ See section 751(a)(2)(C) of the Act.

Act: (1) the cash deposit rate for the companies listed above will be equal to the weighted-average dumping margin established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not covered in this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the producer is, then the cash deposit rate will be the cash deposit rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 4.91 percent, the all-others rate established in the LTFV investigation.¹¹ These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of

¹¹ See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865, 62867 (September 13, 2016).

return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: April 8, 2022.

Lisa W. Wang,
Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Margin Calculations
- IV. Discussion of the Issues
 - Comment 1: Whether Non-Prime Merchandise is Within the Scope of the Order
 - Comment 2: Treatment of Maquilacero's Further-Processed Downstream Sales
 - Comment 3: Treatment of Abinsa S.A. de C.V.'s (Abinsa's) General and Administrative (G&A) Expenses
 - Comment 4: Allocation of Maquilacero's Selling, General, and Administrative (SG&A) Expenses
 - Comment 5: Treatment of Maquilacero's Non-Prime Products
 - Comment 6: Adjustment to Maquilacero's Costs for Purchases from Affiliated Supplier
 - Comment 7: Adjustment to Maquilacero's Costs for Variances and Discounts
 - Comment 8: Adjustment to Maquilacero's Scrap Offset
 - Comment 9: Level of Trade (LOT) for Prolamsa's Home Market Sales
 - Comment 10: Inclusion of Non-Prime Costs of U.S. Products
 - Comment 11: Treatment of Prolamsa's Home Market Downstream Sales
 - Comment 12: Adjustment to Prolamsa's Costs for Purchases from Affiliated Supplier
- V. Recommendation